



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

June 28, 1993

Mr. Donald E. Nilson  
Vice President, Finance  
USMX of Utah, Incorporated  
141 Union Blvd., Suite 100  
Lakewood, Colorado 80228

Dear Mr. Nielson:

Re: Approval of Replacement Reclamation Sureties, USMX of Utah, Inc.,  
Goldstrike Mine, and Goldstrike Exploration Project, M/053/005 &  
E/053/012, Washington County, Utah

On June 23, 1993, the Board of Oil, Gas and Mining approved of the replacement sureties (Irrevocable Letters of Credit (ILOC) and Certificate of Deposit) issued by Colorado National Bank on behalf of USMX of Utah, Inc. for the Goldstrike Mine and Goldstrike Exploration Project. The Division will now release and return the existing Surety Bonds to Tenneco Incorporated.

Copies of the Board approved and signed Reclamation Contracts (FORM MR-RC), surety documents, and the Permit Transfer form are enclosed for your records. Thank you for your continued cooperation, assistance and patience in completing this permitting action. Please call me if I can be of further assistance or answer any questions you may have in this regard.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

Enclosures

cc: Larry Nolen, Tenneco Inc. - Houston  
Jim Smith, Goldstrike Mine

M053005.app





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801-538-5319 (TDD)

June 28, 1993

Mr. Larry Nolen  
Insurance & Loss Control Department  
Tenneco Incorporated  
1010 Milan Street  
P.O. Box 2511, RM.# T-614  
Houston, Texas 77252-2511

Dear Mr. Nolen:

Re: Release of Reclamation Sureties, Tenneco Minerals - Utah, Inc., Goldstrike Mine, and Goldstrike Exploration Project, M/053/005 & E/053/012, Washington County, Utah

On June 23, 1993, the Board of Oil, Gas and Mining approved of the replacement reclamation sureties as provided by USMX of Utah, Inc. for the Goldstrike Mine and Goldstrike Exploration Project. As you requested on June 8, 1993, we are hereby releasing and returning the original surety bonds (#'s:

& #

issued by the Aetna Casualty & Surety

Company and the signed Reclamation Contract agreement to Tenneco Incorporated.

I trust these original documents will allow you to formally terminate your company's surety obligations with Aetna Casualty & Surety Company for the Goldstrike properties. Please call me if I can be of assistance or answer any other questions you may have in this regard.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb

Enclosures

cc: Mark Bardwell, Tenneco Inc. - Houston (RM# T-1613)

Donald Nilson, USMX of Utah - Lakewood

M053005.app



For Division Use:

File No.: M/053/005

Effective Date: \_\_\_\_\_

DOGM Lead: \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

**RECEIVED**

JUN 10 1993

DIVISION OF  
OIL, GAS & MINING

TRANSFER OF NOTICE OF INTENTION  
LARGE MINING OPERATIONS

---ooOoo---

1. (a) Notice of intention to be transferred (file number): M/053/005  
(b) Name of mining operation: Goldstrike Mine  
(c) Location of mining operation (county): Washington  
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):  
Tenneco Minerals Company - Utah  
P.O. Box 2650  
St. George, UT 84770  
(801) 574-3164
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):  
USMX of Utah, Inc.  
P.O. Box 2650  
St. George, UT 84770  
(801) 574-3164  
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:  
Mr. James A. Smith, Mine Manager  
USMX of Utah, Inc.  
P.O. Box 2650  
St. George, UT 84770 (801) 574-3164
3. (a) The total disturbed area identified in the approved notice of intention: 387 AC  
(b) The actual number of acres disturbed by the operation through date of transfer: 342 AC



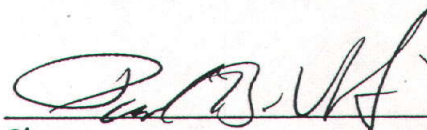
- (c) Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified.
- 4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC).



STATE OF Colorado )  
 ) ss.  
COUNTY OF Jefferson )

SWORN STATEMENT OF TRANSFEROR

I, Paul B. Valenti being first duly sworn under oath, depose and say that I am Vice President - Operations (officer or agent) of Tenneco Minerals Company - Utah (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully know the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. M/053/005.



Signature

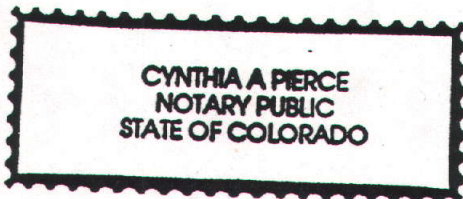
Paul B. Valenti

Name (Typed or Print)

Vice President - Operations

Title

Subscribed and sworn before me this 9th day of June, 1993.



Notary Public

Residing at: 12186 W. 7th Dr, 10-201  
Golden, CO 80401

My commission Expires:

8/19, 1993.



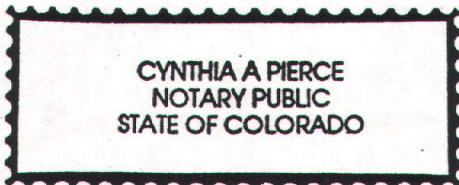
STATE OF Colorado )  
 ) ss.  
COUNTY OF Jefferson )

FINAL SWORN STATEMENT OF TRANSFEREE

I, Paul B. Valenti being first duly sworn under oath, depose and say that I  
am Vice President - Operations (officer or agent) of USMX of Utah, Inc.  
(Corporation/Company Name); and that I am duly authorized to execute and deliver  
the foregoing obligations; that I have read the application and fully understand the  
contents thereof; that all statements contained in the transfer application are true and  
correct to the best of my knowledge and belief. By execution of this statement, the  
Transferee agrees to be bound by the terms and conditions of Notice of Intention  
No. M/053/005, the Utah Mined Land Reclamation Act, and the Rules and Regulations  
promulgated thereunder.

Paul B. Valenti  
Signature  
Paul B. Valenti  
Name (Typed or Print)  
Vice President - Operations  
Title

Subscribed and sworn before me this 9th day of June, 1993.



Cynthia A. Pierce  
Notary Public  
Residing at: 12186 W. 5th Dr., 10-201  
Golden, CO 80401

My commission Expires:

8/19, 1993



## CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant the same, subject to the following limitations and conditions:

- (a) This transfer of notice of intention grants only the right to affect the lands described in Appendix "A".
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC). The surety shall be effective on the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired legal right to mine for lands described in Appendix "A".

### COMMENTS:

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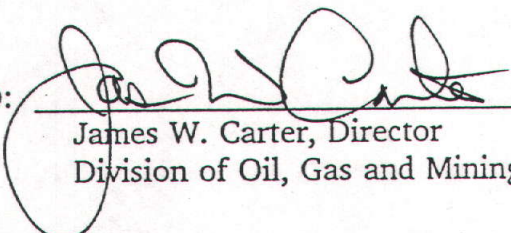
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APPROVED:

  
James W. Carter, Director  
Division of Oil, Gas and Mining

Effective Date:

6/30/93

NOI No.:

M/053/005



## APPENDIX A

Operator: USMX of Utah, Inc.  
Permit No.: M/053/005

Mine Name: Goldstrike Mine  
Washington County, Utah

### The Legal Description of Lands to be Disturbed:

The permitted area that has been or will be disturbed, consists of roads, mine pits, mine dumps, drainage control facilities, mineral processing facilities and related facilities totaling 387 acres, more or less, and located within portions of the following described tracts:

#### Township 39 South, Range 18 West, S.L.B.M.

Section 16: S/2 NE/4 SW/4, SE/4 SW/4, SW/4 SW/4

Section 17: S/2 SE/4 SE/4, S/2 SW/4 SE/4

Section 19: NE/4 SE/4 NE/4, S/2 SE/4 NE/4, NW/4 SE/4, W/2 NE/4 SE/4,  
NE/4 NE/4 SE/4, SE/4 NE/4 SW/4, SE/4 SW/4, SE/4 SW/4 SW/4

Section 20: SE/4 NW/4 NW/4, NE/4 NE/4 NW/4, S/2 NE/4 NW/4, NW/4 NE/4,  
NE/4 NE/4, SE/4 NE/4, E/2 SW/4 NE/4

Section 21: NW/4 NW/4, NE/4 NW/4, SE/4 NW/4, W/2 SW/4 NW/4, NE/4 SW/4 NW/4,  
NW/4 NE/4, NW/4 SW/4 NE/4

Section 30: NW/4 NW/4, NW/4 NE/4 NW/4, NW/4 SW/4 NW/4

#### Township 39 South, Range 19 West, S.L.B.M.

Section 25: E/2 NW/4 NE/4, NE/4 NE/4, N/2 SE/4 NE/4, SW/4 SE/4 NE/4, SW/4 NE/4



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

**RECEIVED**

JUN 10 1993

DIVISION OF  
OIL GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/053/005</u>
(Mineral Mined)	<u>Gold and Silver</u>
"MINE LOCATION":	
(Name of Mine)	<u>Goldstrike Mine</u>
(Description)	<u>Located 35 miles northwest of</u>
	<u>St. George in Washington County,</u>
	<u>Utah</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>387 AC</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>USMX of Utah, Inc.</u>
(Address)	<u>P.O. Box 2650</u>
	<u>St. George, UT 84770</u>
(Phone)	<u>(801) 574-3164</u>



"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

James A. Smith, Mine Manager

c/o Goldstrike Mine

P.O. Box 2650

St. George, UT 84770

(801) 574-3164

"OPERATOR'S OFFICER(S)":

James A. Knox, President

Paul B. Valenti, V.P. Operations

Donald E. Nilson, Secretary/Treasurer

"SURETY": (Form of Surety - Attachment B)

Irrevocable Letter of Credit &  
Certificate of Deposit

Irrevocable Letter of Credit - #

Certificate of Deposit - #

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Colorado National Bank of Denver

"SURETY AMOUNT":

(Escalated Dollars)

\$2,067,300

"ESCALATION YEAR":

1998

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

03/25/92   09/14/92   02/12/93   06/08/93

270 AC   382 AC   382AC   387AC

\$2,000,000   \$2,000,000   \$2,000,000   \$2,067,300

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between USMX of Utah, Inc. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/053/005 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention dated December 16, 1987, and the Reclamation Plan dated December 16, 1987. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as



amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

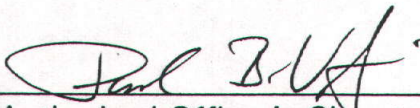
7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.



14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Paul B. Valenti

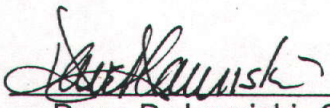
Authorized Officer (Typed or Printed)

  
Authorized Officer's Signature

6/9/93  
Date

SO AGREED this 23<sup>rd</sup> day of June, 19 93.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY   
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining



DIVISION OF OIL, GAS AND MINING:

By

James W. Carter  
James W. Carter, Director

Date

6/30/93

STATE OF

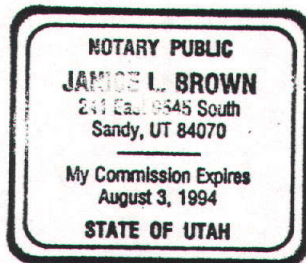
Utah

) ss:

COUNTY OF

Salt Lake

On the 30<sup>th</sup> day of June, 19 93, personally appeared before me, who being duly sworn did say that he/she, the said JAMES W. CARTER is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Janice L. Brown  
Notary Public

Residing at:

Sandy, Utah

August 3, 1994  
My Commission Expires:

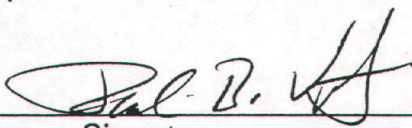


OPERATOR:

USMX of Utah, Inc.  
Operator Name

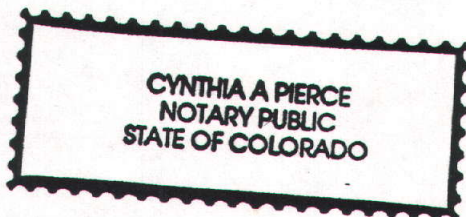
By Paul B. Valenti, V.P. - Operations  
Corporate Officer - Position

06/09/93  
Date

  
Signature

STATE OF Colorado )  
 ) ss:  
COUNTY OF Jefferson )

On the 9th day of June, 19 93, personally  
appeared before me Paul B. Valenti who  
being by me duly sworn did say that he ~~is~~ the said Paul B. Valenti  
is the Vice President - Operations of USMX of Utah, Inc.  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Paul B. Valenti duly acknowledged to me that said  
company executed the same.



Cynthia A. Pierce  
Notary Public  
Residing at: 12186 W. 4th Dr., 10-201  
Golden, CO 80401

8/19/93  
My Commission Expires:



Surety Company

Date \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

Residing at:

Page 8 of 9  
Revised May 7, 1993  
Form MR-RC



## ATTACHMENT A

Operator: USMX of Utah, Inc.  
Permit No.: M/053/005

Mine Name: Goldstrike Mine  
Washington County, Utah

### The Legal Description of Lands to be Disturbed:

The permitted area that has been or will be disturbed, consists of roads, mine pits, mine dumps, drainage control facilities, mineral processing facilities and related facilities totaling 387 acres, more or less, and located within portions of the following described tracts:

#### Township 39 South, Range 18 West, S.L.B.M.

Section 16: S/2 NE/4 SW/4, SE/4 SW/4, SW/4 SW/4

Section 17: S/2 SE/4 SE/4, S/2 SW/4 SE/4

Section 19: NE/4 SE/4 NE/4, S/2 SE/4 NE/4, NW/4 SE/4, W/2 NE/4 SE/4,  
NE/4 NE/4 SE/4, SE/4 NE/4 SW/4, SE/4 SW/4, SE/4 SW/4 SW/4

Section 20: SE/4 NW/4 NW/4, NE/4 NE/4 NW/4, S/2 NE/4 NW/4, NW/4 NE/4,  
NE/4 NE/4, SE/4 NE/4, E/2 SW/4 NE/4

Section 21: NW/4 NW/4, NE/4 NW/4, SE/4 NW/4, W/2 SW/4 NW/4, NE/4 SW/4 NW/4,  
NW/4 NE/4, NW/4 SW/4 NE/4

Section 30: NW/4 NW/4, NW/4 NE/4 NW/4, NW/4 SW/4 NW/4

#### Township 39 South, Range 19 West, S.L.B.M.

Section 25: E/2 NW/4 NE/4, NE/4 NE/4, N/2 SE/4 NE/4, SW/4 SE/4 NE/4, SW/4 NE/4





Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
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801-538-5319 (TDD)

RECEIVED

JUN 10 1993

May 27, 1993

DIVISION OF  
OIL GAS & MINING

Colorado National Bank of Denver  
Energy Department  
950 17th Street, Suite 300  
Denver, Colorado 80202

Attention: J. Thomas Reagan

Re: Certificate of Deposit for Goldstrike Mine, USMX of Utah, Inc. M/053/005,  
Washington County, Utah

This is in regard to regulatory requirements of the mining statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the operations and reclamation of the Goldstrike Mine, Permit Number M/053/005, operated by USMX of Utah, Inc.

A Certificate of Deposit will be issued by Colorado National Bank for \$1,000,000 and be automatically renewable upon expiration. The Certificate should be made out in the name of the State of Utah, Division of Oil, Gas and Mining and the U.S. Department of the Interior, Bureau of Land Management. The interest earned by the Certificate of Deposit for the first 3 months will be added back on to the Certificate of Deposit. After that, the interest earned will be paid quarterly and deposited into the account of USMX of Utah, Inc. If the Certificate is redeemed before the maturity date and the penalty reduces the face value of \$1,000,000, the State of Utah, Division of Oil, Gas and Mining will go to USMX of Utah, Inc. for reimbursement of that loss. If redeemed after the maturity date, then \$1,000,000 will be paid to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will be paid to USMX of Utah, Inc.'s account. The Certificate of Deposit can only be redeemed by the State of Utah, Division of Oil, Gas and Mining and the U.S. Department of the Interior, Bureau of Land Management.

If the statute or rules of the State of Utah, Division of Oil, Gas and Mining are violated, with respect to the operation or reclamation of the Goldstrike Mine covered by this surety, the State of Utah, Division of Oil, Gas and Mining has the authority to call the Certificate on demand, for the full amount of \$1,000,000. Any loss due to an early redemption penalty will be the responsibility of USMX of Utah, Inc. and will not be the expense or responsibility of the State of Utah.



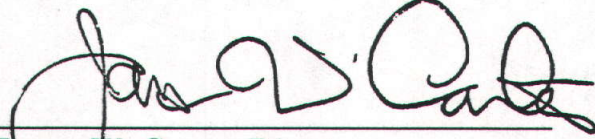


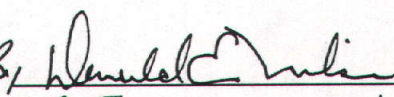
The Division Director's signature, James W. Carter (or the appropriate Division Director at the time), and the signature of the Authorized Officer for the U.S. Department of the Interior, Bureau of Land Management will be required to call the Certificate or release said funds back to USMX of Utah, Inc.

Colorado National Bank will not be held liable for any dispute between the parties. These rules pertain to the Certificate of Deposit Number                     .

Agreed upon by:

USMX of Utah, Inc.

  
James W. Carter, Director  
Division of Oil, Gas and Mining

  
V.P. Finawer, Authorized Agent  
USMX of Utah, Inc.

Tax I.D. Number 87-6000545

Tax I.D. Number 76-0263622



## SURETY ESTIMATE UPDATE

DRAFT

USMX of Utah, Inc.

file USMX-UPS.WQ1

Goldstrike Mine &amp; Goldstrike Exploration

M/053/005 &amp; E/053/012

Washington County, Utah

Prepared by Utah Division of Oil, Gas &amp; Mining

Last Update

05/25/93

## DESCRIPTION:

-Last exploration surety estimate = \$180,700 in 1996-\$

-Last exploration surety estimate before escalation was \$165,000 in 1991-\$

-Last mining surety estimate = \$2,023,000 in 1997-\$

-Last mining estimate before escalation was \$1,899,611 in 1992-\$

-Escalation factors through 1992 are actual Means Historical Cost Indices

-Disturbed acreage = 50 EXP 387 LMO

EXP CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1989	0.0177	\$0
F = Future Sum	1990	0.0077	\$0
P = Present Sum	1991	0.0127	\$165,000
i = Escalation Factor	1992	0.0221	\$168,647
n = number of periods	1993	0.0142	\$171,041
	1994	0.0142	\$173,470
Three Yr Average = 1.42%	1995	0.0142	\$175,933
Used to Project 5 Yrs	1996	0.0142	\$178,432
Into the Future	1997	0.0142	\$180,965
From the Year 1993	1998	0.0142	\$183,535
Updated Surety Amount Rounded (1998 \$)			\$183,500

Average cost per acre =

3,670 (\$/ACRE)

LMO CALCULATIONS	YR	FACTOR	AMOUNT
	1992	0.0221	\$1,899,611
	1993	0.0142	\$1,926,585
	1994	0.0142	\$1,953,943
Three Yr Average = 1.42%	1995	0.0142	\$1,981,689
Used to Project 5 Yrs	1996	0.0142	\$2,009,829
Into the Future	1997	0.0142	\$2,038,369
From the Year 1993	1998	0.0142	\$2,067,313
Updated Surety Amount Rounded (1998 \$)			\$2,067,300

Average cost per acre =

5,342 (\$/ACRE)





SEVENTEENTH AND CHAMPA  
DENVER, COLORADO 80202  
MEMBER FDIC

NEGOTIABLE CERTIFICATE  
OF DEPOSIT

DATE JUNE 08, 1993

PAY TO THE ORDER OF **\*\*STATE OF UTAH, DIV OF OIL, GAS & MINING & US DEPT OF INTERIOR, BLM\*\***

**ONE THOUSAND DOLLARS**

DOLLARS \$ **\*\*1,000,000.00\*\***

JUNE 08, 1994

3.100 % per annum.

Upon return of this certificate properly endorsed on JUNE 08, 1994 with interest at the rate of 3.100 % per annum. This certificate is subject to all applicable Federal and State Regulations. This Certificate of Deposit may not be paid before maturity. Interest ceases at maturity.

IN THE EVENT OF LOSS, THEFT OR DESTRUCTION OF THIS INSTRUMENT, YOU MAY BE REQUIRED TO SECURE A SATISFACTORY SECURITY BOND AT YOUR EXPENSE PRIOR TO RE-ISSUE OF THIS INSTRUMENT.

0-0001-00 R0991

AUTHORIZED SIGNATURE





# COLORADO NATIONAL BANK

RECEIVED

JUN 09 1993

DIVISION OF  
OIL GAS & MINING

June 8, 1993

Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Gentlemen:

Enclosed is our original Irrevocable Standby Letter of Credit number A-5380 issued in the amount of USD1,067,300 in your favor by order of our customer, USMX, Inc.

If I can be of any further assistance please feel free to contact me at (303) 892-4029.

Regards,

*Julia M. Beemer*

Julia M. Beemer  
Senior Letter of Credit Representative  
International Division





COLORADO NATIONAL BANKS  
950 17th Street  
Denver, Colorado 80202

SWIFT: CNBDUS55  
TELEX: 168141 CNBDUT  
TELEPHONE: 303/893-1862

IRREVOCABLE LETTER OF CREDIT  
~~CONFIRMATION OF AMENDMENT~~

LETTER OF CREDIT No.

A5380 dated June 8, 1993

Letter of Credit NO. A

Date: June 8, 1993

UTAH DIVISION OF OIL, GAS AND MINING  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

and

U.S. DEPARTMENT OF THE INTERIOR  
Bureau of Land Management

Gentlemen and Ladies:

1. Colorado National Bank ("Surety"), of Denver, Colorado, hereby establishes this irrevocable letter of credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for itself and as agent for the U.S. Department of the Interior, (collectively, the "Beneficiaries") for an aggregate amount not to exceed \$1,067,300 in United States Dollars ("Face Amount") effective immediately.
2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on May 1, 1994 or (b) the date upon which sufficient documents are executed by the Division to release USMX of Utah, Inc. ("Operator") from further liability for reclamation of the Goldstrike Mine, M/053/005 with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for cancellation.
3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the Surety gives notice to the Division 90 days prior to the expiration date that the Surety elects not to renew the Letter of Credit.
4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. A-5380 delivered to the office of the Surety, Energy Department, Attention: J.T. Reagan, 950 17th Street, Suite 300, Denver, Colorado 80202. At the Division's sole election, the Division may present sight for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.
5. If the Surety receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, the Surety will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Surety's receipt of the sight draft and certificate and in such manner as the Division may specify.
6. The Surety will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.
7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 400, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

(Continued on Page 2)





COLORADO NATIONAL BANKS  
950 17th Street  
Denver, Colorado 80202

S.W.I.F.T.: CNBDUS55  
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IRREVOCABLE LETTER OF CREDIT  
~~CONFIRMATION OF AMENDMENT~~

LETTER OF CREDIT No.  
A5380 dated June 8, 1993

PAGE 2

8. All communications regarding this Letter of Credit will be addressed to the Surety Energy Department, Attn: J.T. Reagan, 950 17th St., Suite 300, Denver, CO, 80202, referencing Letter of Credit No. A-5380.

Very Truly Yours,

COLORADO NATIONAL BK  
The Surety

By: CHRIS HAUGE  
(Name typed or printed)

Chris Hauge  
(Authorized Signature)

Title: INTL. OPERATIONS OFFICER





COLORADO NATIONAL BANKS  
950 17th Street  
Denver, Colorado 80202

SWIFT: CNBDUS55  
TELEX: 168141 CNBDUT  
TELEPHONE: 303/893-1862

IRREVOCABLE LETTER OF CREDIT  
~~CONFIRMATION OF AMENDMENT~~

LETTER OF CREDIT No.  
A5380 dated June 8, 1993

EXHIBIT A  
to  
Letter of Credit

Date

City, County

Letter of Credit No.

PAY TO OURSELVES\* \_\_\_\_\_ DOLLARS

TO: Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

The Utah Division of Oil, Gas and Mining

\_\_\_\_\_  
Authorized Signature

\*By wire transfer in United States dollars to: The Division of Oil, Gas and Mining.





COLORADO NATIONAL BANKS  
950 17th Street  
Denver, Colorado 80202

S.W.I.F.T.: CNBDUS55  
TELEX: 168141 CNBDUT  
TELEPHONE: 303/893-1862

IRREVOCABLE LETTER OF CREDIT  
~~CONFIRMATION OF AMENDMENT~~

LETTER OF CREDIT No.  
A5380 dated June 8, 1993

EXHIBIT B  
to  
Letter of Credit

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$\_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. A-5380 dated June 8, 1993 issued by you is permitted under the provisions of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Reclamation Contract number \_\_\_\_\_, in accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability for the \_\_\_\_\_ (mine), \_\_\_\_\_ (mine permit #).

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date \_\_\_\_\_